

**ENVIRONMENTAL MANAGEMENT ADVISORY BOARD  
to the  
U.S. DEPARTMENT OF ENERGY**

**PUBLIC MEETING MINUTES**

**LA FONDA on the PLAZA  
100 East San Francisco Street  
Santa Fe, NM 87501**

**September 13, 2007**

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## ENVIRONMENTAL MANAGEMENT ADVISORY BOARD

### SUMMARY OF MEETING

The Environmental Management Advisory Board was convened at 8:00 a.m. on Thursday, September 13, 2007, at La Fonda on the Plaza in Santa Fe, New Mexico. Mr. James A. Ajello, Board Chair, introduced the Board members for this meeting.

In accordance with the provisions of Public Law 92-463, the meeting was open to the public.

Board members present:

- Mr. James A. Ajello, Reliant Energy, Inc.
- Ms. Lorraine Anderson, Arvada City Council
- Mr. A. James Barnes, Indiana University (via telephone)
- Mr. Paul Dabbar, J.P. Morgan Securities, Inc.
- Mr. G. Brian Estes, Consultant
- Dr. Dennis Ferrigno, CAF & Associates, LLC
- Ms. Jennifer A. Salisbury, Attorney-at-Law
- Mr. David Swindle, IAP Worldwide Services, Inc. (via telephone)
- Mr. Thomas Winston, Ohio Environmental Protection Agency

EMAB Designated Federal Officer:

- Ms. Terri Lamb

Others present for all or part of the meeting:

- Fran Berting, Northern New Mexico Citizens' Advisory Board
- Terry Boyle, Northern New Mexico Citizens' Advisory Board
- Sadaf Cameron, CCNS
- J.D. Campbell, Northern New Mexico Citizens' Advisory Board
- Tom Fiorina, Private Citizen
- Mark Fleisher, Butch Maki & Associates
- Terry Fox, Pecos Management Services
- David Gregory, DOE Los Alamos Site Office
- Pam Henline, Northern New Mexico Citizens' Advisory Board
- Paul Huber, ADEP
- Keith Klein, Private Citizen
- Scott Kowac, Nuclear Watch New Mexico
- Ellen T. Londerbough, DOE Los Alamos National Laboratory
- Lorrie Bonds Lopez, DOE Los Alamos National Laboratory
- Frank Marcinowski, DOE Deputy Assistant Secretary for Regulatory Compliance
- Lorelei Novak, Northern New Mexico Citizens' Advisory Board
- Tom Pearing, Private Citizen
- George Rael, DOE Assistant Manager for Environmental Operations, Los Alamos Site Office
- James A. Rispoli, DOE Assistant Secretary for Environmental Management
- Grace Roybal, Northern New Mexico Citizens' Advisory Board
- Menice Santistevan, Northern New Mexico Citizens' Advisory Board

- Elizabeth Schmitt, e-Management
- Roger Snodgrass; Los Alamos Monitor
- Chris Timm; Pecos management Services
- Lorrie Voss; Private Citizen
- John Wilcynski; Energy Solutions

## **ADDITIONAL MATERIALS**

Available on the EMAB Website: <http://www.em.doe.gov/emab>

### **PRESENTATIONS**

- Los Alamos Site Office Presentation by George Rael, Assistant Manager for Environmental Operations, Los Alamos Site Office
- Northern New Mexico Citizens' Advisory Board Presentation by J.D. Campbell, Chair, Northern New Mexico Citizens' Advisory Board
- Environmental Compliance Assessment Program Overview by Frank Marcinowski, Deputy Assistant Secretary for Regulatory Compliance
- Organizational Efficiency Subcommittee Presentation by James Ajello and Dennis Ferrigno, EMAB
- EMAB Communications Team Presentation by Jennifer Salisbury, Lorraine Anderson, Thomas Winston, and A. James Barnes, EMAB
- Small Business, Acquisition, and Project Management Presentation by Dennis Ferrigno and G. Brian Estes, EMAB
- EM Employee Recruitment and Retention Presentation by Thomas Winston and A. James Barnes, EMAB
- Discretionary Budgeting Presentation by James Ajello and Paul Dabbar, EMAB
- Technical Uncertainty and Risk Reduction Presentation by Paul Dabbar, EMAB

## LIST OF ACRONYMS

ANSI – American National Standards Institute	EM SSAB – Environmental Management Site-Specific Advisory Board
B&P – Bid and Proposal	EPA – Environmental Protection Agency
CBC – Consolidated Business Center	ETR – External Technical Review
CD – Critical Decision	ETTP – East Tennessee Technology Park
CO – Contracting Officer	FACA – Federal Advisory Committee Act
COO – Chief Operating Officer	FPD – Federal Project Director
CERCLA – Comprehensive Environmental Response, Compensation, and Liability Act	FY – Fiscal Year
CPIF – Cost-Plus-Incentive-Fee	GC – General Counsel
D&D – Decontamination & Decommissioning	GTCC LLW – Greater Than Class C Low-Level Waste
DAS – Deputy Assistant Secretary	HEU – Highly Enriched Uranium
DFO – Designated Federal Officer	HCA – Head of Contract Agency
DOE – Department of Energy	HLW – High-Level Waste
DOD – Department of Defense	HR – Human Resources
DWPF – Defense Waste Processing Facility	HQ – Headquarters
ECA – Energy Communities Alliance	IDF – Integrated Disposal Facility
EIS – Environmental Impact Statement	IDIQ – Indefinite Delivery, Indefinite Quantity
EM – Office of Environmental Management	IFDP – Integrated Facilities Disposition Project
EM-1 – Assistant Secretary for the Office of Environmental Management	IMIS – Integrated Safety Management System
EM-2 – Principal Deputy Assistant Secretary for the Office of Environmental Management	INL – Idaho National Laboratory
EM-3 – Chief Operating Officer for the Office of Environmental Management	IPABS – Integrated Planning, Accountability and Budget System
EM-20 – Deputy Assistant Secretary for Engineering and Technology	LANL – Los Alamos National Laboratory
EM-30 – Deputy Assistant Secretary for Program Planning and Budget	LANS – Los Alamos National Security
EM-40 – Deputy Assistant Secretary for Human Capital and Business Services	LASO – Los Alamos Site Office
EM-50 – Deputy Assistant Secretary for Acquisition and Project Management	LEU – Low Enriched Uranium
EMAB – Environmental Management Advisory Board	LLW – Low-Level Waste
	LM – Office of Legacy Management
	LTS – Long-Term Stewardship
	M&I – Management and Integration
	M&O – Management and Operating
	MAA – Material Access Area

MDA – Material Disposal Area	SC – Office of Science
MLLW – Mixed Low-Level Waste	SEB – Source Evaluation Board
NAPA – National Academy of Public Administration	SES – Senior Executive Service
NAS – National Academy of Sciences	SRS – Savannah River Site
NGA – National Governors Association	TA – Technical Area
NE – Office of Nuclear Energy	TOSCA – Toxic Substance Control Act
NEPA – National Environmental Policy Act	TPA – Tri-Party Agreement
NNMCAB – Northern New Mexico Citizens’ Advisory Board	TRU – Transuranic Waste
NNSA – National Nuclear Security Administration	USEC – United States Enrichment Corporation
NOV – Notice of Violation	VIT Plant – Vittrification Plant
NRC – Nuclear Regulatory Commission	WBS – Work Breakdown Structure
NTS – Nevada Test Site	WIPP – Waste Isolation Pilot Plant
OECM – Office of Engineering and Construction Management	WM – Waste Management
OMB – Office of Management and Budget	WTP – Waste Treatment Plant
ORO – Oak Ridge Office	
ORP – Office of River Protection	
OSDBU – Office of Small and Disadvantaged Business Utilization	
OSHA – Occupational Safety & Health Administration	
PBM – Performance-Based Management	
PBS – Project Baseline Summary	
PDC – Professional Development Corps	
PMP – Performance Management Plan	
QPR – Quarterly Project Review	
RCRA – Resource Conservation and Recovery Act	
REA – Request for Equitable Adjustment	
RFP – Request for Proposal	
RH TRU – Remote-handled Transuranic Waste	
ROD – Record of Decision	
R2A2 – Roles, Responsibilities, Accountabilities, and Authorities	
SBA – Small Business Administration	

## **Meeting Minutes: September 13, 2007**

### **Opening Remarks**

Mr. James Ajello, Chair of the U.S. Department of Energy's (DOE) Environmental Management Advisory Board (EMAB or Board), called the meeting to order at 8:00 a.m. MDT. He welcomed members of the Board and the public to the proceedings and explained that EMAB members A. James Barnes and David Swindle would participate via telephone. Prior to the public meeting, EMAB had the opportunity to visit the Waste Isolation Pilot Plant (WIPP) in Carlsbad, New Mexico; Mr. Ajello remarked that the EMAB members were very impressed with the facility and recognized Lloyd Piper and Roger Nelson for informative presentations and the tour. Following the public meeting, a number of Board members were also scheduled to tour select facilities of the Los Alamos National Laboratory (LANL or Laboratory).

Mr. Ajello indicated that the proceedings would consist of a series of presentations and reports on topics that the Board reviewed over the past year. Individuals interested in the in EM program and EMAB were referred to their respective websites: [www.em.doe.gov](http://www.em.doe.gov) and [www.em.doe.gov/emab](http://www.em.doe.gov/emab).

Mr. Ajello then introduced Mr. George Rael, the Assistant Manager for Environmental Operations at the DOE Los Alamos Site Office.

### **Los Alamos Site Office Presentation**

LANL is one of the oldest and most complex sites in DOE's National Nuclear Security Administration (NNSA) complex. LANL's 40 square miles are home to a number of nuclear facilities, environmental sites, and utilities. The site also hosts multiple programs in addition to its NNSA defense operations, including a sizeable Work-for-Others program and, of course, its Environmental Management program.

In Fiscal Year (FY) 2007, LANL had a clean-up budget of \$141 million. LANL Director Mike Anastasio recently communicated that there will be a \$350 million shortfall in the site's FY 2008 budget, which may jeopardize employment.

Historically, LANL has been operated by the University of California. However, recently, DOE made the decision to re-compete its Managing & Operating (M&O) contract for the laboratory. On June 1, 2006, the M&O contract was awarded to Los Alamos National Security (LANS), which consists of four entities: the University of California, Bechtel, BWXT, and the Washington Group. The new contract is a for-profit contract awarded for a basic term of seven years with the opportunity to earn up to 13 years of extension.

The clean-up mission at LANL began with approximately 2,100 EM sites in 1989 and was regulated by the Environmental Protection Agency (EPA) Region 6 until 1996, when responsibility was transferred to the State of New Mexico. Currently, the program is actively characterizing and remediating the 765 remaining environmental sites and investigating 39 square miles of canyon areas.

LANL executes its EM program in a watershed approach and has similarly crafted its recently agreed to Consent Order with the State of New Mexico. There are 20 remaining Material Disposal Areas (MDAs), or landfills, which house a suite of contaminants including radioactive chemicals and volatile organic compounds. Approximately 10 of these MDAs have been labeled nuclear, and in order to characterize and remediate the MDAs, employees must adhere to a number of safety requirements.



Mr. Rael noted that LANL is approaching a phase in its clean-up where the majority of the work is moving from characterization to remediation. As he continues to work with his LANS counterpart, he has recognized that this next phase will require a different skill mix in its workforce.

In addition to LANL's complex geology, the Laboratory is also a neighbor to the local communities and maintains a government-to-government relationship with four Native American Pueblos that each have very different traditions, beliefs, and approaches to life. Mr. Rael instructs his employees to act as ambassadors when working with the Pueblos. LANL's work is performed within the community, and LANL must be sensitive to a diverse set of agendas across northern New Mexico.

The issue of groundwater contamination is frequently discussed and is rather complicated because the Laboratory is located approximately 1,000 feet above a regional aquifer. Therefore, the typical remediation approach known as "pump-and-treat" is not applicable to LANL. A number of the Laboratory's facilities are also situated on top of contaminated soil. In order to reach the contamination, LANL must rebuild a number of facilities; it has a sizable Deactivation, Dismantlement, and Decommissioning project which includes both Technical Areas (TA) 54 and 21.

TA-54, also known as "Area G," has been used for the disposal of radioactive waste as well as for the storage, characterization, and shipment of transuranic (TRU) waste. Area G is also part of the Legacy Waste Project and has approximately 20,000 55-gallon drums stored on its surface, as well as 12,000 drums stored buried in the ground that must be packaged and shipped to WIPP. Unfortunately, it is very difficult to move a large number of the drums through the system due to their high levels of radioactivity. Mr. Rael noted that LANS has been very successful in its efforts to address these challenges and has capitalized on its personnel's previous experience from Rocky Flats to efficiently address these difficulties and move forward with its mission.

Additionally, Mr. Rael explained that many of the site's high-activity drums must be repackaged in order to meet WIPP's waste acceptance criteria. LANL's Waste Characterization, Reduction, and Repackaging Facility processed its first drum from Area G on September 12; workers will now be able to disburse the drum's radioactivity in such a way that it will pass WIPP's waste acceptance criteria and be eligible for shipment. Mr. Rael reported that this process marks a very important milestone that will ultimately help LANL move its high-activity drums off site. LANL is also working to ship its first remote-handled (RH) TRU waste drum in either late October or early November.

Area G is a critical path item that must be completed in order to meet the requirements of LANL's Consent Order with the State of New Mexico. LANL's intent is to place a cover over its surface upon closure; however, that will change the canyon's skyline. This particular site borders the San Ildefonso Pueblo which has sacred grounds along the walls of Area G. LANL is working very closely with the Pueblo to ensure that its final remedy meets with stakeholders' approval.

Mr. Rael also highlighted TA-21. TA-21 is an older facility with many complex MDAs. In agreement with the site's Land Transfer Bill, LANL is allowed to transfer excess and surplus lands to the surrounding communities. Specifically, with regard to TA-21, this applies to Los Alamos and the San Ildefonso Pueblo. However, the practice can create additional clean-up challenges. For example, in the case of TA-21's MDA-B, LANL must perform its clean-up operations right next to residential and commercial facilities. MDA-B in particular, is located right across the street from the community's local newspaper, *The Los Alamos Monitor*. Therefore, all of LANL's clean-up activities must be clearly communicated to the public, especially as it begins to excavate and transport shipments through the town. Clean-up of MDA-B is scheduled to start in January 2008.

Lastly, Mr. Rael noted that a remedy selection for TA-21's MDA-H is currently underway. It is important to note that LANL has worked very closely with its regulator throughout the process to develop a final remedy.

Mr. Rael reported that LANL engages in a lot of public outreach. Although the site has struggled to establish trust with its stakeholders, LANL's regulator has indicated that communications have markedly improved. LANL's outreach efforts include monthly meetings with the surrounding Pueblos, as well as funding for stakeholder evaluations and technical support.

Mr. Rael emphasized that LANL is committed to achieving its clean-up mission and has improved its relationships with regulators and stakeholders. Mr. Rael also noted that its contractor, LANS, is committed to the clean-up mission and can offer the expertise, resources, and lessons learned derived from its responsibilities and experience at other EM sites.

#### Roundtable Discussion

Mr. Thomas Winston began the discussion by thanking Mr. Rael for his presentation and commented that many of his colleagues from the New Mexico Pueblos have expressed appreciation regarding the amount of government-to-government consultation that occurs between their communities and LANL.

Based on EMAB's recent tour, Mr. Winston shared a concern over possible wasted space at WIPP. RH TRU canisters are emplaced in the boreholes along the walls of WIPP's underground panels while contact-handled TRU canisters are stored on the floor. One of the site's frustrations is that it receives shipments of contact-handled TRU waste more frequently than RH TRU, thereby blocking access to the storage space along the panels' walls. He asked if Mr. Rael could share any observations or suggestions on behalf of LANL, a shipping site, as to how DOE could better schedule or prioritize shipments and maximize WIPP's RH TRU waste storage capacity.

Mr. Rael emphasized that LANL's priority is to get rid of its high-activity waste drums. However, it also recognizes the fact that disproportionate shipments of contact-handled versus RH TRU limit WIPP's storage capacity. Unfortunately, Mr. Rael indicated that there was not a definitive answer to Mr. Winston's question. However, LANL actively engages with WIPP's corporate review board and Dr. David Moody, the Carlsbad Field Office Manager, to discuss shipment schedules and inventory.

Mr. James Rispoli added that the WIPP board will be able to provide a response to Mr. Winston's question and asked Ms. Terri Lamb, EMAB's Designated Federal Officer, to make a note of the question.

Mr. Winston further added that in the past, the National Governors' Association (NGA) held conference calls with the Carlsbad Field Office to discuss the sequencing of WIPP shipments and schedules. This allowed state regulators to better plan and align their oversight activities. Mr. Winston noted that he did not know whether there was an opportunity to establish a similar practice for RH TRU shipments.

Mr. Rispoli reiterated that contact-handled and RH TRU shipments comprise a very complex mosaic. That is why WIPP convened its corporate board. EM is aware of concerns regarding lost storage space and again, he suggested that the WIPP board could provide a more comprehensive response.

Mr. Frank Marcinowski, Deputy Assistant Secretary (DAS) for Regulatory Compliance (EM-10), further clarified that once EM knew it would receive its RH permit from the State, it worked to reprioritize its operations, especially at the Idaho and Argonne national laboratories. He stated that there is an intense effort to increase RH TRU shipments. Currently, WIPP accepts four shipments a week; its maximum capacity is five. Mr. Marcinowski also noted that EM continues to meet regularly with NGA groups

across the country and could circulate an eight-week WIPP schedule among the states with transportation routes.

Ms. Lorraine Anderson commended Mr. Rael and LANL for their recent success and was glad to hear that the talent from Rocky Flats was being used to the site's advantage. She also commended Mr. Rael for his site's work with local governments and stakeholders and noted that it is very important to keep those lines of communication open.

Dr. Dennis Ferrigno asked Mr. Rael a question concerning the framework of DOE's clean-up agreement with the State and its stakeholders. In the past, for every square foot of property that LANL built, it was required to take down another square foot. Dr. Ferrigno asked if that practice was still in place, and if so, how would it impact LANL's budgets and deactivation and clean-up activities.

Mr. Rael confirmed that the operating principle Dr. Ferrigno referred to is still in place. He also noted that NNSA has a program at LANL called the Facility Infrastructure Recapitalization Project that provides funds for decommissioning and decontamination (D&D) in addition to focusing on projects that have not been process contaminated, to support this practice.

Ms. Jennifer Salisbury reinforced Mr. Winston's comments regarding WIPP shipments and the NGA. Having worked closely with the Western Governors' Association, Ms. Salisbury related that one of their biggest complaints pertained to the unreliability of the schedules that WIPP distributes. However, she also commended DOE for the success that it has had with the WIPP operations.

Mr. Rispoli noted that WIPP recently received its 6,000<sup>th</sup> shipment and has achieved approximately 6,500,000 work hours without a serious transportation injury. Furthermore, DOE received the Transportation Community Awareness and Emergency Response Chairman's Award, one of industry's highest transportation safety awards, due in a large part to EM's successful WIPP operations. EM's transportation record, coupled with its skilled workforce, proves that its mission is achievable.

Ms. Salisbury stated that EM should tout its successes more, specifically those of WIPP. She added that it is truly a tribute to the collaboration between the States and DOE and its workforce. In her view, the programs successes ought to be promoted more.

### **EM Program Update**

Mr. Ajello introduced Mr. James Rispoli, Assistant Secretary for EM, for an update on the EM program.

Mr. Rispoli thanked EMAB and the local EM Site-Specific Advisory Board (EM SSAB) for their important contributions to the EM program. He began his presentation with an anecdote from a recent trip with Deputy Secretary Clay Sell: Mr. Sell had commented that, "The best minds in the nation were brought to bear in World War II, and built these [nuclear] sites. And then during the Cold War, the best minds of the nation were brought to bear, and we won the Cold War. It's amazing that now the best minds in the nation are working on the clean-up [of these sites], and in many ways the clean-up is even more challenging than what was done before." Mr. Rispoli stated that the EM program is a tremendous national effort and it really is true that the best minds in the nation are still engaged in this difficult and challenging task to bring the continuum that began at 109 East Palace to a conclusion.

With only 16 months remaining under the current Administration, Mr. Rispoli provided EMAB with an update on EM's status and objectives, specifically those related to the topics of Safety, Acquisition and Project Management, and Human Capital.

- Safety

Safety remains EM's top priority for its workers, its sites, and its surrounding communities. The program's philosophy is that every worker should return home at the end of the day in the same condition in which they arrived. In fact, EM's average accidents and injuries per work hours, including lost-time accidents, are significantly lower than those of DOE as a whole and those of the commercial waste management and construction industries. Safety is paramount, even if it means missing a milestone or deadline in order to avoid risk.

- Project Management

Mr. Rispoli reported that EM is making great strides in its project management and has projectized its entire portfolio, including its capital construction projects. The emphasis on project management has also allowed EM to make significant improvements in many aspects of its operations such as incorporating safety into designs early in construction and enacting regulations to prevent EM and its contractors from repeating their mistakes. Furthermore, a number of EM's site managers have taken to using the format from the program's Quarterly Project Reviews (QPRs) internally on a monthly basis in order to stay on top of possible challenges and schedule slippage. EMAB has an open invitation to join the EM staff at Headquarters (HQ) for a round of QPRs, and Mr. Rispoli encouraged the members to attend. Additionally, Mr. Rispoli reported that all of EM's Federal Project Managers have been certified. As a legacy, the current Administration will leave the Department with a robust and ongoing project management mechanism in place for its successor.

EM has 83 active projects and a number of separately reported subprojects. When Mr. Rispoli began his appointment with EM, the program had between 15 and 20 outstanding projects that were not on-cost or on-schedule. That number has been significantly reduced; currently, there are only four projects that are not on-cost or on-schedule. Mr. Rispoli also noted that only two of EM's projects are considered "in the red," namely one is at Los Alamos, as discussed by Mr. Rael, while the other includes depleted uranium hexafluoride plants in Ohio and Kentucky. He expects both to undergo minor schedule slippages, but not necessarily cost overruns. However, Mr. Rispoli cautioned, there is some cause for concern because the construction of the plants in Ohio and Kentucky has not begun and already, the project poses a significant challenge. The question is: what will that mean when the project reaches the operations stage? In response, EM issued a Cure Notice to the contractor, which had little, if any, effect. Mr. Rispoli remarked that there will always be challenges, but a focus on project management helps to identify risks and problems earlier on, thereby allowing management to focus on solutions.

EM continues to work toward validating all of its projects' baselines. The goal, although aggressive, is to have the validations complete by the end of 2007. Mr. Rispoli explained that the validations are performed by DOE's Office of Engineering and Construction Management, which has modified its protocol to better evaluate the EM program. Currently, 66-percent of the program's projects have been validated. EM is also working to certify all of its earned-value management systems that provide data on the sites are managed. Mr. Rispoli noted that the data systems are generally run by contractors.

Part of the complexity involved with EM's mission stems from a large amount of interaction and interdependency throughout its complex. In recognition of these relationships, EM is developing an integrated schedule for the entire program. The goal is to increase the visibility of operational impacts and tradeoffs between sites; if something happens at one site, how will it affect activities at another?

- Acquisition

With regard to Acquisition, Mr. Rispoli reported that EM is in the process of building an Acquisition Center to handle large procurements across the complex. Personnel will be located at HQ and the Consolidated Business Center (CBC), and field site managers will act in an ex-officio capacity. The key difference in this approach to acquisition is that large procurements will be run by EM and not the DOE Source Evaluation Board. Rather, the DOE Source Evaluation Board will refocus its involvement to evaluate proposals and provide advice and recommendations to the source selection official. The process should benefit EM's contractors because it will allow the program to execute a more predictable and timely procurement process, a significant improvement upon EM's current practices.

The Acquisition Center will operate similarly to a project team. The person in charge of a particular procurement will essentially be the acquisition or project manager and will have access to an integrated team of individuals from HQ, the CBC, and the sites. A number of people have been brought on board to begin staffing the Acquisition Center, and several of its key leaders will report to work in the near future. Mr. Rispoli suggested that perhaps some of these individuals will also be folded into the Source Evaluation Board.

The Acquisition Center's first task will be the upcoming Portsmouth procurement. Mr. Rispoli emphasized that the Center will not be used for all procurements; the center-approach applies primarily to large procurements at large sites and to a variety of procurements at smaller sites that do not have a robust project management staff like Hanford or Savannah River. Additionally, in order to differentiate between appropriate procurement approaches, EM is developing a matrix to track various approaches and their correlating types of procurements.

Mr. Rispoli stated that the overall Acquisition Center concept has been well received and encouraged the Board to provide feedback as it sees fit.

- Human Capital

Moving on to the topic of Human Capital, Mr. Rispoli commented that EM is working very hard to secure the requisite skills and numbers of people needed to pursue its mission. Since the beginning of the Bush Administration, and taking into account the closures of Rocky Flats and the Ohio sites, the EM federal staff has experienced a tremendous drawdown from approximately 2,800 individuals to 1,300. Therefore, in addition to addressing skill gaps and expertise, EM's human capital efforts must also focus on acquiring numbers. Mr. Rispoli used Mr. Rael and his staff as an example: LANL's Environmental Management program only has three federal employees to manage \$140 million per year and has been authorized to grow its staff to a maximum of 18 people. Mr. Rispoli also cited information from the National Academy of Public Administration's (NAPA) study that benchmarked EM's workforce against similar organizations and determined that given the complexity of its work, the program should increase its volume of personnel.

Additionally, EM is engaging in a best-of-class project management initiative with the help of the Army Corps of Engineers and a support contractor to evaluate its skill gaps. The first phase is complete, and once the initiative concludes, the Army Corps of Engineers and support contractor will be used to help backfill and round out the necessary federal staff. Mr. Rispoli stated that in order to have a high-performing organization, EM needs to have the right people with the right skills and the right numbers; it is very difficult to accomplish that goal with only 1,300 federal employees.

EM has established a Human Capital Steering Committee chaired by Dr. Barbara Male, Deputy Assistant Secretary for Human Capital and Business Services. Mr. Rispoli explained that the steering committee is

developing a framework that will be incorporated into the next iteration of the EM Human Capital Management Plan. Other activities include organizational and leadership assessments as well as employee surveys.

As part of its Human Capital Management Plan, EM endeavors to identify future leaders. A number of individuals in EM have been accepted into the Department-run Senior Executive Service (SES) candidate development program. However, Mr. Rispoli cautioned that the DOE program is rather limited; he believes that EM needs to provide more people with the opportunity to compete for similar training slots and developmental programs.

Other human capital initiatives include the creation of a workload forecasting system to better project skill set and personnel needs, and the program's intern program, the Professional Development Corps (PDC), which was previously known as the EM Career Intern Program.

The PDC commenced with an initial class of 21 interns; estimates for future classes range between 30 and 35 participants, 80-percent of whom will possess technical backgrounds. Mr. Rispoli indicated that the new interns have completed a five-week orientation, and he has already met with the trainers for the next round of recruitment. PDC personnel will begin attending college campuses and job fairs to search for the second class of interns in the near future.

Mr. Rispoli had previously reported that out of EM's 1,300 federal employees, only 13 were below the age of 30. That number has since grown to 22. However, EM still has more people over the age of 60 than under the age of 40. In many ways, this disparity was self-inflicted because, according to the federal government's human resource (HR) practices, when EM drew its numbers down from 2,800 to 1,300, the people who were forced to leave were those with fewer years of service. Given the current workforce challenges, EM must now regroup and reestablish its entry and mid-level staff.

Furthermore, after consulting with many of its advisors, EM realized that the program was not as robustly diverse as it could or should be. EM had not coordinated effectively to ensure that it reached out to different sources or promoted diversity in its own workforce. In response, a diversity manager was hired for the EM complex, and its executives are now required to participate in diversity training to address communications empowerment, generational differences, and culture. These efforts are especially significant because EM intends to hire a large number of new people, which will affect the way that managers effectively motivate their employees.

- The National Academy of Public Administration

The next topic that Mr. Rispoli discussed pertained to the NAPA's Review and its impact on EM. The scope of the NAPA panel's review includes EM's Acquisition and Project Management, Human Capital, and Organizational Management. In its first two observation papers, the panel provided EM with 50 proposals, 48 of which were accepted. The two proposals that EM did not agree with were organizational recommendations including the creation of a Chief Business Officer, stemming from the panel's interest in the roles and responsibilities of the Principal Deputy Assistant Secretary (EM-2) versus the Chief Operating Officer (EM-3). Mr. Rispoli clarified that the EM-3 title is misleading; the position is akin to a Chief Operations Officer whose focus is almost purely concerned with performing the work in the Field safely, effectively, and efficiently.

Support to the Field is improving with the recent fulfillment of a number of Office Director positions below the DASs. Mr. Rispoli noted that seven new Office Directors were hired during his tenure at the SES and equivalent levels, and provided EMAB with a list of the new individuals and their respective charges. Of particular note was the fact that Mr. Jack Surash, DAS for Acquisition and Project

Management, has fully staffed his Office Director positions. Also, Mr. Gary DeLeon, Director for the Office of Program Integration, has been moved under Mr. Marcinowski, DAS for EM-10, per NAPA's recommendation.

The NAPA study has also spurred a number of other organizational changes. Specifically, EM has established an Office of Management Analysis, as recommended by the panel, which will be lead by Mr. Jim Fiore. The program is also working to enhance the capabilities of the EM-3 staff by potentially dividing the office into one group of Site Action Officers who would work directly with the Assistant and Deputy Site Managers, and a separate group charged with managing EM's small sites. Mr. Rispoli noted that before any of these changes take place, EM must first consult with the Employee Union's Bargaining Unit Rules. Mr. Rispoli also reported two other significant organizational changes. Namely, Mr. Charlie Anderson, the current Principal Deputy Assistant Secretary, recently announced his retirement. Upon his departure, Dr. Inés Triay, the current Operating Officer, will become EM-2, and Mr. Jim Owendoff, Director for the Office of Project Recovery, will become EM-3.

NAPA recently submitted its third observation paper and according to initial reviews, Mr. Rispoli believes that the majority of the recommendations, if not all, will be accepted.

- EMAB FY 2006 Report and Recommendations

Turning to EMAB's FY 2006 report and recommendations, Mr. Rispoli commented that the Board has been very interested in the development and accountability of EM's Human Capital Management Plan. The Human Capital Management Plan is a living document, the latest revision of which was issued in March. Accountability for the plan's implementation and maintenance has been delegated to various individuals.

Mr. Rispoli provided a number of examples pertaining to the improvement of EM's human capital practices. The program will implement 360-degree reviews for all of its executives to help them better understand how and where they can improve their skills and methods. EM will also continue to perform organizational assessments of two sites per year; the FY 2007 and 2008 subjects include the Carlsbad Field Office, the Office of River Protection, the Richland Operations Office, and HQ. Other EM human capital highlights include the completion of its Annual Federal Human Capital Survey and Corrective Action Plans, and the institutionalization of the mentoring program, making it integral to career development. Furthermore, efforts are under development to increase workforce moral and improve internal communications.

With regard to EMAB's communications recommendations, Mr. Rispoli stated that the program plans to create an Office of Communications and External Affairs. Mr. Steve Cuevas has taken the lead in developing its structure, and preliminary discussions suggest that it will be staffed by approximately seven or eight people, half of which would be political appointees; the office's functions are still under development. In addition to this office, Mr. Rispoli noted that EM has filled the position of Senior Communications Officer, as recommended by EMAB, with political appointee Bobby Carr. Mr. Carr has been instrumental in a number of communication initiatives such as developing the EM brand and creating an EM display for HQ's exhibit commemorating DOE's 30<sup>th</sup> anniversary. Mr. Carr is also a valuable advisor and will be key in the establishment of EM's new office.

Mr. Rispoli announced that a communications element will be incorporated into the performance appraisal plans for all of EM's key managers, especially field managers, beginning in FY 2008. A similar element had been included in the FY 2007 performance appraisal plans for SES employees only. However, EM still needs to find better ways to measure the effectiveness of its communication tools; any insight or suggestions from EMAB would be greatly appreciated.

In order to improve communications with stakeholders, EM is working to better coordinate its Public Affairs staff in the Field, congressional offices, and at HQ to provide more timely and comprehensive information.

In response to the Board's concern over EM's lack of participation in the annual DOE Small Business Conference, Mr. Rispoli delegated responsibility to Mr. Surash to improve the program's representation and visibility. At the recent Small Business Conference held in Washington D.C., EM received three awards for Federal Small Business Achievement, Federal Small Business Advancement, and the Small Business Program Manager of the Year.

Mr. Rispoli expressed his appreciation for EMAB's work and looks forward to the Board's FY 2007 report and recommendations. Any further insight and advice that EMAB can offer regarding the topics of Small Business, Acquisition, and Project Management, and Human Capital and Employee Retention are welcome. He noted that he is especially concerned that the recent Federal Human Capital Survey reflected a sense that the EM workforce does not believe EM performs as well as other organizations in many significant areas. Although EM has taken some initial steps to rectify those differences, EMAB may want to consider increasing its focus in this area.

Mr. Rispoli also noted that advice and recommendations pertaining to the topics of Technical Uncertainty and Risk Reduction and Discretionary Budgeting are also welcome. Specifically with regard to discretionary budgeting, EMAB's attention could be very beneficial. With every published budget, EM has fallen into a mode of stating that it will not be able to meet a number of agreed-to milestones because there simply is not enough funding. Furthermore, there are many significant activities, such as the recently announced plutonium consolidation operations, that are not milestone-driven but greatly benefit the nation. Recommendations that could help EM optimize its funding and balance competing priorities would be greatly appreciated.

Mr. Rispoli concluded his presentation by summarizing that EM's focus will continue to be: work safely, practice effective project management, and rebuild the program's human capital and organization.

#### Roundtable Discussion

Mr. Ajello thanked Mr. Rispoli for his presentation and noted that he was struck by the discussion on workforce transition. Although Mr. Rispoli spoke of EM's Professional Development Corps optimistically, the Board has expressed concern over whether the program needs to go beyond that program and consider a phase of bulk hiring. In the next three to five years, EM may lose much of its institutional and operational capabilities that cannot be filled by classes of interns. Mr. Ajello reiterated that it is a pressing and compelling issue.

Mr. Rispoli agreed with Mr. Ajello but noted that hiring employees for a government organization takes time in order to ensure that equal opportunity has been provided to all (ex: minimum advertising times). The Department is already losing ground to the growing number of retirees. Attempting to grow an organization while closing that gap is very challenging given the federal government's HR practices.

Mr. Ajello added that the situation is further compounded by very robust commercial nuclear and waste management industries' demands for new hires.

Mr. Rispoli noted that several project directors have expressed the same concerns and frustrations. DOE's contractors and even companies in the United Kingdom are siphoning off talent to meet their growing needs as well.



Mr. Paul Dabbar commended Mr. Rispoli and EM on the strides it has made in its human capital efforts.

With respect to employee recruitment, Mr. Dabbar echoed Mr. Ajello's comment that perhaps a mass hiring is in order, given the dramatic numbers of potential retirees. Mr. Dabbar also stressed the cultural and communication components of hiring and recruitment that come into play when bringing a significant number of people into an organization. Incorporating new hires who are not familiar with how the organization works could result in dysfunction. He recommended that EM take these issues into account as part of its Human Capital Plan.

Mr. Dabbar also asked what drove the dramatic change in EM's workforce, dropping it from 2,800 employees to 1,300. Was it primarily retirements? Were there other trends, and if so, has EM looked at those trends to determine its next step?

Mr. Rispoli explained that the initial drawdown was not due to retirements, it was actually caused by the younger generation of employees leaving for other opportunities. The decision to not continue down that path and to grow instead, has been a conscious one.

The House has put its FY 2008 mark high enough to grow EM's numbers to approximately 1,500; however, an Appropriations Act has not been signed and the government is only weeks away from the end of the current Fiscal Year. That presents a whole other set of challenges, because until that Act is passed, EM does not know how much funding it will have and if the necessary plus-up will be available. It is very difficult to begin work before knowing whether or not that funding will be available. The good news is that Capitol Hill recognizes the program's need to grow, and Mr. Rispoli noted that NAPA has been very helpful in elevating the issue's visibility.

Mr. Dabbar commented that hiring 200 people is a challenge. It is a significant effort and EM may want to begin preparing for its implementation regardless of the Appropriation Act's certainty.

Mr. Rispoli agreed. Although he does not believe there is anything wrong with the Department's HR personnel, the federal government's HR process can be rather arduous. The process is not where it needs to be and unfortunately, EM can only try to influence it because it is not within the program's purview to change it. NAPA, recognizing the same challenge that Mr. Dabbar articulated, has made a recommendation to Congress that the federal HR process undergo a review beginning in FY 2008 similar to the EM study because this is an issue affecting all of the federal agencies.

Dr. Ferrigno commended Mr. Rispoli for the leadership and discipline that he has demonstrated in his time with EM.

Mr. Rispoli, in turn, gave credit to EM's senior leadership team that has realigned itself to meet the program's needs rather than continuing to contract out.

Dr. Ferrigno related two recent experiences from private industry to convey a sense of urgency for employee recruitment. One organization that he visited earlier in the month has been hiring approximately 20 people per week over the past three to four months; the commercial nuclear industry is recruiting heavily.

The second experience that Dr. Ferrigno related involved an organization where 40-percent of the workforce was 55 years old or older and 40-percent of the workforce was 30 years old or younger. This U-shaped spectrum is a trend that the nation needs to deal with. To the extent that EM can control that

phenomenon, Dr. Ferrigno suggested that more aggressive mentoring efforts may help address the gap in mid-level and journeyman employment.

Mr. Rispoli remarked that these human capital discussions tie together – specifically Mr. Dabbar’s statements about culture and Dr. Ferrigno’s statements about the two ends of the spectrum. He also noted that EM is fortunate to have the experience and background of Dr. Male who recently returned to EM from a detail with the Partnership for Public Service. However, the question remains: where did all of the people in the middle of the spectrum go?

In Dr. Ferrigno’s opinion, there has been a 30-year metamorphosis in the nuclear industry, and in the meantime, all of those people moved to other fields and locations.

Building on Dr. Ferrigno and Mr. Dabbar’s comments, Mr. Winston reiterated that there is a very competitive market for talent. After reading the Federal Human Capital Survey, his concern is whether new recruits will find their work satisfying and appealing. The survey reported many discouraging figures. Issues associated with leadership, empowerment, and merit-based promotions are critical components. He acknowledged that a number of action plans have been developed and implemented to address the results, but stressed that it is also important for the employees to understand and believe their managers’ personal commitment to changing those areas for the better.

Mr. Rispoli noted that one of the more difficult findings to resolve focused on a lack of leadership opportunities. Unfortunately, DOE is not very effective in preparing people for leadership roles; often, they are not given the opportunity to solve leadership challenges.

Survey findings also reflect the perception that there is a lack of advancement opportunity in EM. EM is looking for diversity and fresh ideas; the majority of recently promoted senior leaders are new to DOE. EM must consider a wide range of aspects when selecting its leaders, including future potential and technical skill. Regardless, the program must also keep its existing workforce highly motivated. It can be very discouraging for employees who have been in the Department for 25 years to witness that phenomenon. It is exceedingly difficult to satisfy those employees who feel they have been passed over for the proper opportunity to advance.

As an outside observer, Mr. Winston remarked that due to the importance of EM’s mission, it seems that the employees would inherently be endowed with a certain degree of job satisfaction. There may be opportunity to build on that innate characteristic in addition to addressing the survey results through the action plans.

Mr. Rispoli stated that EMAB’s assistance in this area would be greatly appreciated. He also commented that the program does hold recognition ceremonies, generally quarterly, at its sites; employee recognition is often accompanied by monetary rewards. Other suggestions to improve morale and motivation are welcome.

Mr. Ajello concluded the session by accepting Mr. Rispoli’s charge and noted that in addition to human capital and workforce transition being significant issues, they are also areas where EMAB will be able to engage in a sustainable discussion and relate its own best practices.

### **Northern New Mexico Citizens’ Advisory Board Presentation**

Mr. Ajello introduced Dr. J.D. Campbell, Chair of the Northern New Mexico Citizens’ Advisory Board (NNMCAB).

Dr. Campbell thanked EMAB for the opportunity to speak at its public meeting and welcomed the Board members to Santa Fe, NM.

The NNM CAB is dedicated to increasing public involvement, awareness, and education with regard to EM's operations. Its goal is to facilitate a collaborative dialogue among Northern New Mexico's diverse and multi-cultural communities and to make it easier for local citizens' concerns to be heard.

The NNM CAB's membership comprises 16 volunteers representing various areas throughout the region, and currently includes 14 individuals and 13 prospective appointments. The NNM CAB is also divided into two subcommittees: the Environmental Monitoring, Surveillance and Remediation Group, chaired by Ms. Pam Henline; and the Waste Management Group, chaired by Mr. Ralph Phelps.

Throughout FY 2007, the NNM CAB provided DOE with 23 recommendations, a number of which addressed baselines and funding.

Dr. Campbell explained that the NNM CAB focuses primarily on topics related to LANL and outlined its top three issues:

- EM Funding and Consent Order Obligations

The NNM CAB is concerned that there is insufficient funding to meet its New Mexico Consent Order obligations. During the past year, the NNM CAB provided input on EM's FY 2009 budget process; however, it appears that the FY 2008 funding for LANL will have a 50-percent shortfall. As reported earlier in the meeting by Mr. Rael, one of LANL's four EM projects is in the red; the NNM CAB understands that decreased funding may endanger the successful performance of the site's other three.

The NNM CAB is also interested in the validation of LANL's baseline.

- Closure of MDA-G and Expansion of the Radioactive Waste Facility in MDA-G

The NNM CAB is very concerned with the characterization and closure of MDA-G, which is situated near the region's sole source aquifer. The NNM CAB also wants to increase public participation and awareness regarding this issue and plans to hold a public meeting in April 2008 to discuss and educate local citizens on the variety of closure alternatives, including excavation, multi-layer covers, and partial in situ vitrification. All LANL remedies need to be made with long-term stewardship considerations clearly integrated into the decision-making process.

- Groundwater Monitoring and Protection at LANL

Although the public water supply and drinking-water is safe, contamination has been found 900-1,000 feet down into the regional aquifer. Efforts to monitor and characterize groundwater contamination over the last 10 years have been very effective and useful in understanding the complex geology of Los Alamos. However, the fluids used to drill wells into the aquifer have prevented truly representative sampling of the groundwater and its trace-level constituents.

The NNM CAB is working with Mr. Rael and the LANL staff to improve this practice and believes that new groundwater monitoring wells are needed, an opinion shared by both the EPA and the State. Unfortunately, additional wells were not accounted for in the last iteration of LANL's baseline. While the NNM CAB does not lobby Congress, it hopes that a project management approach to this issue will reflect the need and help secure more appropriate funding.

The Environmental Monitoring, Surveillance and Remediation Subcommittee continues to encourage LANL to accept both the NNM CAB's recommendations as well as the 17 recommendations contained in the recent National Academies of Science Committee report regarding groundwater and geochemistry at LANL.

Dr. Campbell concluded his presentation by commending Mr. Rispoli for his accomplishments in institutionalizing project management throughout the EM program. The NNM CAB looks forward to reviewing some of the recent QPRs during its September meeting and gaining a greater understanding of how EM's budgets, schedules, and manages its priorities.

#### Roundtable Discussion

Mr. Brian Estes began the session by asking if the NNM CAB was prohibited from lobbying Congress, and if so, did its plan to hold public meetings provide an outlet for concerned citizens to provide congressional delegation and staffers with information.

Dr. Campbell responded that the EM SSAB charter prohibits lobbying. However, the NNM CAB can lobby in the sense that it can encourage and provide DOE HQ with recommendations. Dr. Campbell noted that local Congressional staff often attend the NNM CAB's meetings and have been briefed by members on occasion. Furthermore, opportunities for public involvement allow citizens to let the delegations know what they think is important with regard to DOE and LANL.

Ms. Salisbury commented that in its FY 2006 report to the Assistant Secretary, EMAB recommended that EM ensure timely and adequate information and responses be provided to the EM SSABs. She asked if Dr. Campbell had any remarks as to the adequacy of its communications with DOE.

Dr. Campbell reported that the NNM CAB expects to hear approximately 14 responses from Mr. Rael during its next meeting. In the past, DOE was often far behind in its communication to the CAB. However, Mr. Rael, his staff, and the LANS support have done a great deal to rectify that situation. Many of the CAB's recommendations have either been implemented or are in the process of being implemented, and the CAB feels that its input to DOE is recognized. Members are encouraged to continue and look forward to further engagement with Mr. Rael and his staff.

Mr. Winston thanked Dr. Campbell for his presentation and for the CAB's efforts. He noted that he will attend the upcoming EM SSAB Chairs' meeting in Paducah, Kentucky, on behalf of EMAB and will be sure to report back to the Board. He also noted that EMAB is willing to serve as a resource to the EM SSAB and champion issues down the road.

Dr. Campbell expressed his appreciation that Mr. Winston would join the EM SSAB Chairs in Paducah, KY, specifically because the event will feature a workshop on communication and feedback to the public. That is an area where the participants are very eager to learn new and improved techniques to interact more effectively with the Department.

Ms. Anderson asked for further clarification surrounding the monitoring wells and the CAB's concern about punching holes in the aquifer. When she had attended one of its meetings last year there was concern that too many holes were being drilled. What changed?

Dr. Campbell explained that the older wells and older technology raised concerns about cross contamination and movement of the near-surface waste. The current drilling techniques do not pose the same risk. The objective now is to better understand and obtain representative samples not impacted by drilling fluids. Unfortunately, to establish the wells at the necessary depths, it costs about one million

dollars. The NNM CAB recommends drilling more wells because it does not make sense to perform expensive suites of analyses on old wells when there is reason to believe that those samples will not be representative. The NNM CAB believes that more wells are still needed and that they be created safely.

Mr. Ajello thanked Dr. Campbell for his presentation and announced that the Board would recess for a fifteen-minute break.

### **Environmental Compliance Assessment Program Overview**

Upon the Board's return, Mr. Ajello introduced Mr. Marcinowski, DAS for EM-10, for a presentation on EM's Environmental Compliance Program.

Mr. Marcinowski began his presentation with a broad description of EM-10's organization, including the recently relocated Office of Program Integration.

Narrowing his focus to the Office of Compliance (EM-11), Mr. Marcinowski reported that EM has approximately 1,000 enforceable milestones pending. EM-11 has developed a number of tools to help the program account for all of these milestones and has made concerted efforts throughout the past year to bring its Integrated Planning, Accountability, and Budgeting system and tracking modules up to date. EM now has a regularly updated tracking program directly tied to EM's funding request process, facilitating the development of compliant budgets.

Additionally, EM-11 has created and intends to implement a scorecard that will track six different categories of regulatory compliance including: Notices of Violation (NOV); Enforceable Compliance Agreement Milestones; Non High-Level Waste, Waste Determinations; Low-Level Waste (LLW) Disposal; National Environmental Policy Act (NEPA); and Environmental Compliance Assessment Program (ECAP). Mr. Marcinowski provided the Board with an example of the draft scorecard which rates compliance issues in each of the applicable six categories as "green" for full compliance and good standing, "yellow" for possible problems, or "red" for noncompliance. EM-11 is developing a scorecard for each of its sites and has circulated the draft for comment. The idea is that this tool will be used as a quick reference for compliance issues either by site or by contractor. The six categories were chosen based on their relevance to regulatory actions, compliance, funding, policy, and assessments.

Specifically, the ECAP category refers to EM's system of self-assessments for compliance and noncompliance indicators. ECAP is the standard system used to train sites in identifying their own issues and self-correcting problems before they reach the stage of an NOV or other regulatory action. Ultimately, the goal of ECAP is to reduce penalties and empower the sites to conduct their own reviews and bring their operations into compliance. Site personnel are trained by the Army Corps of Engineers to use software to look at all of their D&D, ground-level, and waste water work to evaluate its compliance with DOE Orders and regulatory commitments.

Sites are asked to conduct these assessments annually, and to draft and submit executive summaries of their findings to HQ within 30 days of their conclusion. To date, six sites have completed the ECAP training session.

Mr. Marcinowski concluded his presentation by summarizing the EM's top compliance issues:

The Tri-Party-Agreement (TPA) negotiations at Hanford have been underway since May. EM hopes to draw the negotiations to a close in the near future after a broad look at the entire TPA. Outstanding issues include delays in the Waste Treatment Plant and tank retrievals as well as issues regarding groundwater contamination.

As previously discussed, LANL has faced a number of compliance issues recently, receiving multiple NOVs in the past year. EM-11 is working to ensure that that does not happen again.

At Savannah River, EM missed some of its tank closure milestones at the end of the FY 2006, specifically involving Tanks 18 and 19. The program has entered dispute resolution with the State to reestablish the missed milestones and address other issues pertaining to tank closures.

At the Energy Technology Engineering Center (ETEC) in California, EM received a NEPA Court Order stating that DOE must discontinue its closure activities until it conducts a Site-Wide Environmental Impact Statement. In the meantime, EM has also signed an order with the State of California requiring closure of ETEC by 2017. Mr. Marcinowski explained that the ETEC is unique because its land is actually owned by Boeing and part of the site belongs to NASA. Trying to coordinate with these organizations to develop a site-wide closure plan poses a significant challenge.

Lastly, EM received a Cease and Desist Order from the State of Nevada regarding shipments of mixed low-level waste from three facilities, two of which belong to DOE, the third being commercial.

#### Roundtable Discussion

Mr. Ajello thanked Mr. Marcinowski for his presentation and asked if he was correct in his understanding that with the development and implementation of new tools, regulatory compliance has become increasingly decentralized in the sense that the sites are trained to a standard and expected to carry out their own assessments.

Mr. Marcinowski indicated that actually, with the new tools that his organization developed, compliance has become more centralized. Previously, interfaces and negotiations with Regulators occurred at the site level. Now EM is taking a more corporate approach to signing up for or adjusting milestones. In that respect, compliance has become more centralized. However, Mr. Ajello was also correct in a way because the ECAP also trains the sites to essentially police themselves. So the correct answer is yes and no.

Mr. Marcinowski added that DOE's independent policing arm had previously performed independent evaluations of EM's environmental compliance. However, that practice was discontinued.

Mr. Ajello asked where these new compliance tools, reporting techniques, and standards came from. Were they home-grown or were they found outside of the Department (i.e. benchmark concepts)?

Mr. Marcinowski responded that the current tools were developed internally by EM, but he also noted that his organization is surveying the commercial industry and the methods that it uses for environmental compliance.

Mr. Ajello asked if the tools were anticipatory. For example, could the score card alert EM-10 to potential problems? What qualifies a matter for the yellow phase? NOVs are past events; are there other features on the score card that allow EM to look forward and thwart potential problems?

Mr. Marcinowski answered in the affirmative. The score card will be updated on a quarterly basis and used to track violations and milestones throughout a particular Fiscal Year. The quarterly updates will alert EM-10 in the event that the program is in jeopardy of missing a milestone or requirement.

Mr. A. James Barnes summarized the components of ECAP and recalled that in previous discussions surrounding the issue of how EM trained its personnel and successors, there was a question regarding whether the program had established certain key elements.

Mr. Marcinowski responded that it had; there are both site components as well as HQ components to compliance assessment training.

Mr. Barnes noted that it appeared his comments from EMAB's August 2006 meeting had been addressed regarding how EM prepares itself to identify areas that may raise concern for regulatory agencies. In addition to the training sessions, Mr. Barnes asked Mr. Marcinowski what else a typical year's cycle at HQ would involve.

Mr. Marcinowski commented that he has been in charge of the program for 15 months, so many of its components and practices are still new and have not gone through a four-year cycle as yet.

With regard to the budgeting process for the coming year, Mr. Dabbar noted that compliance is obviously an important factor. He recalled that Mr. Rispoli had indicated that there will probably be a greater backlog of compliance requirements than funds covered by the budget in any particular year. He asked Mr. Marcinowski to comment on his participation and the data that he uses as it relates to the upcoming budgeting process.

Mr. Marcinowski clarified that the collected compliance data has already been factored into the budgeting process. When EM develops its priority list of projects for the coming year, compliance milestones are listed for each line item within the budget and are therefore, prioritized. The fully compliant budget submitted by EM addresses all of the milestones on the agenda for that year.

Ms. Salisbury asked how EM resolves disputes over scoring compliance.

Mr. Marcinowski indicated that the program relies heavily on the sites. When a milestone is identified as "at risk," it is the site that discerns that identification. He also noted that these practices are so new that disputes have not come up.

With regard to organizational structure, Dr. Ferrigno stated that he agreed with EM's decision to keep regulatory compliance separate from site operations, thereby maintaining a system of checks and balances.

Dr. Ferrigno asked Mr. Marcinowski if it was his intent to use the scorecard as a separate format for site accountability, similar to the QPRs, to raise awareness and forecast compliance.

Mr. Marcinowski explained that the QPRs already address compliance, although not in a scorecard format. He has not had a chance to discuss this option with Mr. Rispoli yet, but noted that it may be a good addition to the QPRs and would frame the information in a slightly different way.

Mr. Winston suggested a regulatory compliance issue that the Board may want to track in the future, namely natural resource damages under CERCLA. Although natural resource damages may not be a compliance issue, it poses a real challenge for DOE because it involves a blend of legal policy, technical issues, and multiple agency interfaces. There are significant liabilities for the Department and it appears that DOE is struggling to develop a path forward.

Mr. Marcinowski concurred and noted that EMAB's insight with regard to this challenge would certainly be appreciated.

### **Public Comment Period**

Mr. Ajello opened the floor for public comments.

Mr. Christopher Timm of Pecos Management Services, Inc. has been involved in the field of environmental management for approximately 40 years. He began the session by expressing concern about DOE's overall waste management strategy. Proposals to store waste on site rather than off, especially at sites where groundwater and aquifers pose a challenge, does not make sense. Mr. Timm suggested that EM revisit this issue.

Mr. Tom Pearing introduced himself as a retired Municipal Judge, Tribal Judge, and school teacher. He became interested in the EM program and its waste management years ago and was glad to hear that the waste shipments have been successful.

Mr. Pearing noted that he had a young daughter and family in Albuquerque, and stated that he will support any efforts to transport the waste out of Los Alamos and ship it off site safely, even if that means organizing citizens in the surrounding areas.

Mr. Ajello thanked Mr. Timm and Mr. Pearing for their comments and announced that the Board would break for lunch.

### **Board Business and Committee Reports**

#### Approval of March 6-7, 2007 Meeting Minutes

Mr. Ajello asked for comments on the minutes from the Board's March 6-7, meeting in Knoxville, TN.

Upon noting one minor correction from Mr. Estes, the minutes were approved.

#### Date for Next Meeting

Mr. Ajello relayed the suggestion that EMAB's next public meeting be held in Washington, D.C. on April 1-2, 2008. He asked that members who were uncertain as to whether this date was acceptable to contact Ms. Lamb via email and confirm their availability.

#### Organizational Efficiency Subcommittee

According to Mr. Ajello, the Organizational Efficiency Subcommittee was established in order for EMAB to liaise with the NAPA panel and review its EM study; its membership includes himself and EMAB Vice Chair, Dr. Ferrigno. To date, the panel has produced three observation papers that are considered confidential and premature for public discussion. A final report, for public release, is expected in December, but may be delayed. As previously discussed, the panel's focus comprises EM's Acquisition and Project Management; Human Capital; and Organization and Management.

To date, the panel has produced approximately 50 recommendations, that vast majority of which have been accepted and adopted by EM. Those outstanding items that have not been agreed upon pertain to the establishment of a Chief Business Officer and the role of EM-3.



Mr. Ajello and Dr. Ferrigno have attended the meetings between EM and NAPA and reviewed and commented on the panel's observation papers. Mr. Ajello is frequently in contact with the panel's project manager, Mr. Al Kliman.

Mr. Ajello reported that Mr. Rispoli has asked the subcommittee and the Board to review the final draft of the NAPA report before it is published to weigh in on the panel's observations. In six weeks, this action will come to the Board. EMAB will need to expedite its input in order for it to be timely and meaningfully incorporated into the proceedings.

Dr. Ferrigno suggested that the subcommittee present written comments on the draft and that he and Mr. Ajello should both attend the final meeting between the panel and EM.

Mr. Ajello clarified that once the subcommittee receives the final draft, he will circulate its comments among the rest of the Board, via e-mail, for input.

Ms. Salisbury asked if it was possible for the Board to issue an official product without holding an official meeting. Would that comply with the Federal Advisory Committee Act (FACA)?

Mr. Ajello responded that EMAB will consult with General Counsel to ensure that the Board is in full compliance with FACA. Mr. Ajello will also speak with Mr. Kliman to determine the exact timing of the NAPA's final draft release in order to make sure that the Board's input to the Assistant Secretary is timely.

#### EMAB Communications Team

The EMAB Communications Team includes Ms. Salisbury, Ms. Anderson, Mr. Barnes, and Mr. Winston. In September 2006, EMAB issued a report to the Assistant Secretary that contained five recommendations pertaining specifically to the topic of communications. Ms. Salisbury commended Mr. Rispoli for unanimously accepting the team's recommendations and reported that each has been implemented to a varying degree.

According to Ms. Salisbury, the most important recommendation directed EM to establish a permanent communications position in the Assistant Secretary's immediate office. EM implemented this recommendation in October 2006 when political appointee Bobby Carr joined the program as the Senior Communications Advisor. Additionally, EM is currently working to establish a communications office which will be lead by Mr. Steve Cuevas, a non-career SES. Ms. Salisbury noted that the team has reviewed the duties and responsibilities for Mr. Cuevas's position and office, although the functions are still under development, and was happy to see that they included a strategic planning component.

The team also recommended that communications be incorporated into all aspects of decision-making. This is an ongoing effort and is a challenge for any organization. Ms. Salisbury emphasized that communications be paramount in everybody's thinking much like safety, and suggested that perhaps communications could play a part in EM's compliance score card.

The team's third recommendation was that a communications element be incorporated into EM's key manager performance appraisals. A communication element is already included in the program's SES performance appraisals and will be incorporated in to all of the managers' appraisals beginning in FY 2008. Ms. Salisbury stressed that this element should be meaningful.

The team's fourth recommendation was that EM measure the effectiveness of its current communications tools. Mr. Rispoli also posed this issue as a charge for the Board in his earlier presentation.

Ms. Salisbury suggested that Mr. Rispoli continue to issue his quarterly employee messages and possibly increase their frequency. She and the other Board members agree that Mr. Rispoli's messages are important and valuable to the employees.

Ms. Salisbury also noted that the EM employee portal, although under review, is still not as effective as it should be. She encouraged Mr. Rispoli to figure out what is wrong, why it is not being used, and what about it is not user-friendly, and then make adjustments as necessary.

Mr. Rispoli suggested that additionally, EM may need to reassess what materials are posted on the portal versus what materials are posted on EM's website. The portal is frustrating to use because it automatically logs users out after a short period of time. Part of the solution may be to post only those materials that truly need to be protected on the portal, and have everything else available on the EM website.

Mr. Ajello also noted that employee portals generally seem to improve over time. Usage of the EM employee portal has increased by 20-percent; it could always be better, but at least, in this case, there is a measurable improvement of usage.

Mr. Dabbar suggested another way to gauge and measure communication would be to regularly distribute anonymous employee surveys. The surveys may consist of a list of standard communications questions such as "Do you feel that you understand strategy X and that it has been properly communicated by corporate?" or, "Do you feel that your immediate supervisor effectively communicates objectives?" His organization issues similar surveys periodically to its business unit which can then be collated and used to examine trends over time.

Mr. Ajello noted that EM has made great strides in its communication in recent years. He also suggested a practice from his own professional experience that could be applied to EM. Mr. Ajello's company holds quarterly town hall meetings where employees dial into a conference line for updates from the boss and voice their questions and concerns.

Ms. Salisbury asked if EM had the technical capabilities to facilitate this practice.

Mr. Rispoli confirmed that yes, EM has the technical capability. However, in order to hold interactive meetings, like Mr. Ajello's town hall, EM must notify the employee unions and give them an opportunity to speak. In his experience, the easiest way to comply with this requirement is to hold employee meetings in two auditoriums and converse via video conferencing. Mr. Rispoli further explained that without the unions present, EM can only hold one-way conferences such as awards presentations; anything that is interactive, two-way between management and the employees, must include a union representative.

Mr. Ajello explained that the town hall meetings evolved into weekly voicemails from the CEO that are compiled by the company's Communications Director and Leadership Team. An automated email is distributed on Monday morning with the 800 number to access the voicemail. Additionally, in each message, the company's leadership team is urged to ensure that some employee recognition is included in the message; recognizing an employee by name costs nothing, but has a very positive affect on morale.

Ms. Salisbury noted that EMAB could continue to assist EM as it works to improve communications, and emphasized the need to promote the program's successes.

The team's last recommendation directed EM to ensure that timely and adequate information and responses were provided to the program's advisory boards and stakeholders. EM has improved in this respect, but this area will also require continual monitoring.

Ms. Salisbury commended Mr. Rispoli and EM for promoting and improving communications and stated that the team will stand ready to provide further assistance as needed, especially as the new communications office begins to take shape.

Mr. Rispoli expressed his appreciation for the Board's insight and brainstorming. He suggested that the team continue to dialogue with Mr. Carr and Mr. Cuevas.

Mr. Dabbar will obtain a copy of his company's employee survey for reference. He noted that in addition to communication, the survey also asks questions about employee performance, feedback, etc.

Mr. Winston reported that Ms. Melissa Nielson, Director for the Office of Public and Intergovernmental Accountability, previously suggested that EM informally poll its stakeholders during EM SSAB and Intergovernmental Groups meetings as to how well the program communicates. He suggested that she continue to engage in that practice because it helps EM obtain feedback and also sends the message that the program cares and wants to improve its communication.

Mr. Winston also recalled that the upcoming EM SSAB Chairs' Meeting in Paducah, KY will feature a workshop on communication, cooperation, and public participation using the Energy Communities Alliance publication, *The Politics of Clean-Up*. For stakeholders, working with the government to accomplish something as complex as the EM mission is challenging. Even robust communication may not be sufficient because of the political nature of dealing with Congress and the media. EM's stakeholder base has matured over time in terms of understanding how communication can be dynamic and beneficial when it flows both ways. Both parties need to come to the table in an atmosphere conducive to answering the question, "How can we improve together?"

Ms. Salisbury indicated that as a subtopic of EM Communications, Ms. Anderson had researched and was prepared to report on EM's Community Outreach.

Ms. Anderson explained that this subtopic was generated by comments from EMAB's last meeting in Knoxville, TN. After researching the program's outreach efforts, she discovered that there is a wealth of activity going on throughout the complex to educate children and encourage students to pursue interests in math and science. Furthermore, Ms. Anderson found programs run by partnerships of local governments, utilities, DOE, federal agencies, and private companies and contractors that provide projects and scholarships for students.

The greatest challenge that outreach activities face is volunteer burnout and sustainability. She suggested that perhaps the Department could help address this problem by providing monetary support, rewarding volunteers, and providing incentives for participating contractors. Fostering these interests and opportunities in a younger generation will ultimately benefit the Department's future workforce and capabilities.

Mr. Rispoli agreed with Ms. Anderson's suggestion but cautioned that there may be some contractual issues that could pose a challenge. For example, auditors may not consider community outreach programs as allowable expenditures toward the work of cost-plus contracts. The contractors that currently participate in those activities do so using funds from their own fee pool because they have a relationship with those particular communities.

Mr. Keith Klein, a member of the public and the retired Manager of the Richland Operations Office, clarified that DOE fosters a good-neighbor policy at its sites and with its contractors. Often, bid proposals include claims that the contractor will embody that principle, which is generally recognized as a good business practice. However, Mr. Klein noted that if DOE were not appreciative of those commitments, contractors may be less likely to fulfill them. Recognizing contractors in the manner that Ms. Anderson suggested could certainly support and propagate those values and activities.

Mr. Ajello provided a suggestion derived from his professional experience. His company has adopted support for local communities as one of its values. This concept was actualized by including community support and volunteerism as a component in annual and mid-year employee performance appraisals. His company also asked its unions to incorporate the value into their Operating Agreements.

Ms. Anderson related that in her position on the Arvada City Council, she has had the opportunity to interview a number of local volunteers and found that their primary motivation for volunteering is to give something back to their communities.

Mr. Rispoli noted that many of its contractors perform very well in that respect. Contractors far outnumber the federal employees at EM's sites and totally permeate the local communities; they become the local communities. That is why outreach activities are extremely successful when the site contractor is in a position to participate. Mr. Rispoli suggested that their presence and assimilation into the communities surrounding EM's sites may contribute to stakeholders' apprehension when contracts are re-competed; they may be afraid of losing those relationships if the contractor is not the successful bidder.

#### Small Business, Acquisition, and Project Management

Dr. Ferrigno and Mr. Estes presented on the topic of Small Business, Acquisition, and Project Management.

Dr. Ferrigno commented that EM has made significant progress over the last two years, due in large part to the leadership of Mr. Rispoli and Mr. Surash. He also noted that there were a number of significant achievements recently, including the issuance of Requests for Proposals (RFPs) at the Hanford and Savannah River sites. Furthermore, Dr. Ferrigno observed that the CBC is working well in its expanded acquisition and project management role and seems to be adhering to its Charter.

During its last public meeting, EMAB received a report from Mr. Surash, DAS for Acquisition and Project Management, who indicated that EM streamline its processes for handling contract changes, specifically with regard to their review, approval, and thresholds or levels of authorization. Although he is not aware of any specific action, Dr. Ferrigno noted that he believes progress is underway. EMAB will continue to monitor this area and provide support to Mr. Surash, particularly with regard to classical changes in scope, site conditions, and agreements with the stakeholders, all matters that need to be brought up to currency.

Dr. Ferrigno summarized a number of other areas under Mr. Surash's purview that may be considered works-in-progress. Namely, EM must take actions to hold its contractors accountable. This was one of Mr. Surash's reported goals for FY 2007 and possibly FY 2008. EM is also working to better close-out its contracts; an issue that is particularly applicable to situations where EM is transitioning from one contractor to another. The integration of lessons-learned, a practice where EM excels, will prove integral to achieving these objectives.

With regard to impediments, the Board has continued to focus on discussions from its last public meeting about recognizing single points of accountability and responsibility for acquisitions and project management, and the benefits of co-location.

Mr. Estes agreed that a single point of accountability is a desirable element. A more efficient procurement process may be achievable by developing a culture of ownership and using a team-approach to facilitate accountability. EMAB suggested the concept of co-location as a means to build on that culture; it is certainly not the only answer, but it would help employees identify with specific projects. However, Mr. Estes noted that in view of personnel limitations, while it would be nice to co-locate a complete team, matrixed project assignments are more likely.

Mr. Estes also reported that since the last public meeting, EMAB received information from Mr. Surash reflecting significant time delays between procurement actions and business clearances. Mr. Surash also advised EMAB that DOE's Office of Procurement and Assistance Management, led by Director Ed Simpson, was conducting a study of EM's procurement process to identify the scope of its delay problems and develop solutions. Mr. Simpson's study was initially expected to be available in either late July or early August but has not been received. Further attention and any potential recommendations regarding these issues will commence pending the receipt of Mr. Simpson's study. Additionally, data from Mr. Estes' Natural Resource Counsel Committee reports may aid the Board in developing its recommendations.

Dr. Ferrigno discussed current commercial practices and loss prevention, and noted that there are a number of tools available to DOE, many of which the program has already embraced in its methods and operations.

Dr. Ferrigno then highlighted EMAB's observations on the programs' Small Business practices.

In FY 2006, EM had a small business prime contract goal of \$208 million that the program exceeded by well over \$100 million. The FY 2007 goal was similar in magnitude, and once again, EM anticipates exceeding that mark. Statistically, EM's execution of its small business acquisition strategy is very encouraging and commendable. However, there are some concerns, or caution signs, as to the selectivity and complexity of size when contracting with small businesses.

This issue goes beyond the question of, "Do they qualify and did they submit a bid?" Rather, it should also address whether these organizations have the right quality assurance programs, core competencies, histories, and bench strength. Do these companies have a strategy for when they graduate from the small business categories and enter the unrestricted world of competition? There is a great deal of complexity surrounding small-business set asides that may benefit from practices of right-sizing.

EMAB believes that right-sizing awards and financial due diligence should always be considered in acquisition. Allowing a company of 500 people to take on an award that requires 1,000 may ask too much of an organization, regardless of whether its management and shareholders are desirous. Commercially, a good rule of thumb involves ratios. A contractor with a revenue base of X should not be awarded a contract worth more than half that amount. EMAB will continue to discuss this concept with Mr. Surash and his staff.

With regard to EM's mentor-protégé practices, the Board believes that the program is doing extremely well. Many of the recent RFPs include evidence that EM is encouraging large businesses to meet some of their aggressive objectives by bringing in small businesses. There are many great acquisition strategies and goals for small businesses, both for prime contracts and within primes; EM just needs to be sure that

it fills its small business ranks with the right core competencies, right size companies, and right bench strength.

Mr. Ajello noted that as a take-away, EMAB will continue to discuss the concept of right-sizing and perhaps suggest some granularity in EM's small business selection process.

Dr. Ferrigno concluded the report by endorsing Mr. Rispoli's earlier comments about EM's participation in the Annual DOE Small Business Conference.

#### Employee Recruitment and Retention

Mr. Ajello indicated that Mr. Winston and Mr. Barnes would report on and lead the Board's discussion of EM Employee Recruitment and Retention.

Mr. Winston recalled that during EMAB's last public meeting in Knoxville, TN, Mr. Fiore reported that employee recruitment was a very high priority for the EM program. Discussions primarily focused on the newly established EM Career Intern Program, which has since been changed to the Professional Development Corps (PDC).

The PDC's objective is to train future leaders through site assignments and mentoring. Its initial class comprised between 15 and 20 interns; the goal for a typical class is 30 interns, and eventually up to 45. Mr. Winston noted that although this program was an important step and significant effort, EMAB has expressed concern that it only addresses one portion of EM's overall human capital and workforce challenges.

Mr. Winston reported that the first round of the PDC was very successful. Recruitment efforts focused on 25 universities and nine professional societies. A training regimen, initial eight-month schedule, and mentor assignments were determined before the interns arrived at DOE and were assigned to six different field offices. Mr. Winston also reported that the initial class is significantly diverse with respect to gender and ethnicity.

Mr. Winston also discussed EM's Embracing Diversity Working Group. The group was chartered to develop innovative strategies to recruit and retain diverse entry, mid, and senior-level talent capable of executing the EM mission. Its activities include collecting demographic data, summarizing recruitment activities across the Department, and benchmarking EM's efforts against other federal agencies. The group has also reviewed the Federal Human Capital Survey and developed a number of strategies and measurements to address its results; it will present recommendations to the Assistant Secretary and EM senior management in late September.

To summarize, Mr. Winston noted that there are many ongoing efforts to address EM's human capital challenges, including employee surveys, action plans, leadership development, and workload forecasting, in addition to the coordination of recruitment practices. However, human capital and the size of the EM workforce remains a critical challenge; it is fundamental to the program's future success. EM must compete with the private sector to recruit and retain talented workers of all levels.

Mr. Rispoli acknowledged that EM faces a significant challenge in its workforce. The fact that the PDC has been able to recruit a very diverse class of interns is important for several reasons; a diverse workforce will benefit the organization. Mr. Rispoli highlighted that EM's eight newly selected senior executives reflect this awareness as well; half are women, two are Asian-American, and one is African American.

Mr. Winston observed that diversity breeds diversity; selection of diverse managers and diverse interns may pay dividends down the road.

Mr. Winston recalled that earlier in the morning, Mr. Rispoli discussed the challenge involved in staying ahead of a retiring workforce. He suggested that it would greatly benefit EM to address this issue by reviewing the human capital survey and dealing with its current workforce. Clearly, the results indicated that the current workforce needs to understand they are valued and appreciated. If the shortcomings detailed in the survey are addressed, employees may be more likely to continue working for EM.

Mr. Rispoli explained that one of the problems with federal service is that once people reach retirement age, they often leave to contribute to their field through other means. It is difficult to convince people to stay on board after they reach that age; economics works against the program.

Mr. Dabbar commented that diverse talent must be recruited and retained. It is important to create an inclusive environment for women and minorities where they continue to feel involved throughout their employment. His company has a program that partners senior women with young women to facilitate mentoring and interest in career development on an ongoing basis, not just through the recruitment phase. For example, the executive women may take the younger women to an exclusively-female CEO meeting; this demonstrates achievable success.

Mr. Rispoli noted that although EM has engaged in mentoring, he did not know if the program had made that extra leap or effort to specialize similarly. He agreed that Mr. Dabbar made a good point and will explore the issue further.

Dr. Ferrigno recognized that EM is establishing many great programs and activities. However, he noted that there is one overreaching fact: recruitment and retention challenges are industry-wide and there is a sense of urgency to provide for competing personnel needs. All of the strides that EM has made in its performance, attention to detail, maintaining safety, maintaining objectives, and maintaining compliance will add up, and it will be very difficult to achieve the program's objectives with half of the workforce out of the picture. The potential for risk grows exponentially, and with this urgency, EM and the industry need to step-up their pace.

Mr. Winston asked those familiar with the commercial nuclear industry if there was a way to compare which skill sets were in demand. Are there an insufficient number of graduates in a particular field to fill the demands? In the past, EMAB studied the EM Science Program under Mr. Gerald Boyd because it had the opportunity to breed students for academic scholarships and programs in nuclear engineering. Mr. Winston asked what the universities were currently producing in terms of candidates. Perhaps, it would be beneficial to step back and look at the more fundamental disciplines and introduce their potential into the broader recruitment dialogue with nuclear industry.

Dr. Ferrigno explained that the volume of graduates coming out of universities with technical programs should be sufficient. The question is, where are the mid-level professionals? Should professionals from other industries be cross-trained to fill that gap? It is an issue of workforce transition and may offer more fertile ground for dialogue.

Dr. Ferrigno also commented that previously, there was a phenomenal workforce called the Nuclear Navy that entered the commercial industry after finishing their terms in the public sector. With the possibility of downsizing the Military in the future, recruitment efforts to capitalize on similar transitions may benefit from a focus on cross-training and seeking professionals outside of schools.

Mr. Dabbar commented that an important part of the dialogue surrounding employee recruitment and retention should focus not only on what the potential talent pool may be, but also, what is that talent pool looking for in a job? His company polls its target recruits to identify their values and needs. In general, it appears that many people in the workforce are not looking for long-term careers with one particular employer; they change jobs frequently. It may be beneficial to fine-tune the hiring process by gauging the wants and needs of potential entry, mid, and high-level employees and then brand EM accordingly.

Dr. Ferrigno agreed that EM must be sensitive to strategy and surveys, but he stressed that the need to fill the workforce is urgent. While resources should be identified to approach universities and facilitate cross-training, the needs go beyond surveys and must align with this sense of urgency.

Mr. Dabbar recognized urgent need to recruit and retain talent immediately. However, in order to do so effectively, EM must take into account the resources and messages that will be most effective in securing that talent. Promising security and a 30-year career may not be the most suitable tactic for recruiting young professionals.

Mr. Winston noted that recognition of its audience and the recruits' values will also benefit employee retention. One of the fears is that the organization may take time and steps to secure talented workers who may only be interested in temporary projects and are apt to leave for another opportunity and a new career move.

#### Discretionary Budgeting

Mr. Dabbar presented the topic of Discretionary Budgeting on behalf of himself and EMAB member Dave Swindle and commented that "Prioritizing" may be a more appropriate title for this evolving focus.

The primary purpose of EMAB's discussions on this topic has been to identify the potential for additional tools to aide EM in its budget appropriations process and requests.

Mr. Dabbar participated in a number of conference calls with fellow Board members to gather a better understanding of how the budget request process worked and what kind of external pressure points influenced the program. Although some minor changes typically made to EM's budget request by the Office of Management and Budget (OMB), it does not appear that the program's requests are significantly changed by outside entities prior to the official appropriations process. In fact, some years are actually budgeted in a block funding format, which gives the program more flexibility and control over the allocation of its money. With this information, Mr. Dabbar and the participating Board members came to the conclusion that EM does not really need a tool to alleviate external pressures to change its budget requests.

Mr. Dabbar noted that one of the Board's most productive conference calls involved Ms. Cindy Rheame, EM Director for Budget. In this conversation, Mr. Dabbar and Mr. Ajello gained a better understanding of how EM thinks through its budget processes. In a quasi-priority order, EM seems to focus on risk mitigation, regulatory compliance and stakeholder needs. Obviously, these are all very significant components of EM's mission. However, focus on the concept of a "business case," which would particularly relate to discussions about baselines and lifecycle costs, appeared to be lacking. With the understanding that risk mitigation, compliance, and stakeholder needs are all agreed-upon requirements in the budget request process, Mr. Dabbar suggested that developing a business case as an additional data point to argue for funding, may prove to be a very useful tool.

In the context of a relatively fixed, or at least predictable, budget, EM will have fewer resources on a real-dollar basis to complete its missions because costs will grow over time with inflation; specifically, this



applies to personnel and construction material costs. It will become more expensive to accomplish the EM mission effectively.

Having a decision-making tool on top of risk mitigation and compliance requirements may help allocate funds in such a way that life-cycle costs, like mortgages and utilities, could be reduced, thereby freeing up future capital to accelerate other projects.

Mr. Rispoli explained that EM has not performed a formal business case. EM has an interesting exchange with OMB that continues to present day because initially the OMB hierarchy asked EM to focus its efforts and funding on D&D projects to immediately reduce mortgage costs. However, in order to comply with that direction, the program would have been forced to cut funding from its higher-risk items such as tank waste remediation and the Waste Treatment Plant at Hanford. OMB is still frustrated with EM because it had set targets for the program to reduce its footprint, which the program is unable to meet; EM chose to apply its resources to risk reduction instead of footprint reduction.

Mr. Ajello suggested that this process may not be clear-cut. Much of the program's complexity comes from deciding how to allocate funding and where to make trade-offs; often, the Board's discussions came back to the question of whether there was a tool that could help make those decisions.

Ms. Anderson asked whether EM would have to assign some value to reducing risk. It may be hard to measure, but there would have to be a value for risk in order to measure it in a business case.

Mr. Dabbar responded that there is some aspect of risk in everything that cannot be completely quantified. It becomes a judgment issue. Going back to the concept of a tool, having something like a giant spreadsheet with all of the numbers and all of the pros and cons will at least make the data available for inclusion in the decision-making process.

Mr. Rispoli agreed that there may be room for such a tool. However, the challenge involves how to implement something like that. EM might need to hire an outside source to help with the implementation.

Mr. Ajello explained that EMAB had not reached the point of looking around the industry for analogues. That remains an unfinished item; is there a ready-made approach that EM could adapt?

Mr. Rispoli noted that EM has performed business cases on a smaller case-specific scale. In April, the program provided Congress with a business case for plutonium disposition and the operation of H Canyon, which is a very expensive project. He also noted that business cases for the entire program may be superfluous to stakeholder and regulator milestones and requirements. There are many fixed and complex factors to take into account. Part of the problem is trying to identify which items are fixed and which are discretionary. Often, the program feels like it is deciding between the lesser of two evils; rather than choosing the most positive path, much of the dialogue centers on what will cause the least damage.

Dr. Ferrigno noted that in the Board's discussions, lifecycle cost was determined to be a very significant denominator and equalizer. Regardless of the nature of any given risk, EM should be able to build its lifecycle cost the way it builds metrics for project execution. If EM can combine risk scenarios with lifecycle costs and establish a business case based on those factors, it will be well on its way to identifying priorities and impacts for the program, its operators, and its stakeholders.

Mr. Dabbar agreed and suggested that when looking at the quantification of risk, there are probably some examples that could help estimate the cost of potential failure; an example being potential failure of the Hanford waste tanks.

Recalling his earlier point, Mr. Dabbar reiterated that beyond risk reduction, compliance, and even operational flexibility, money reduces in value for EM over time; an additional data point – not a budget driver – may be useful.

Dr. Ferrigno stated that all of the entities involved in EM's mission need to be good stewards of the resources in their possession. Contractors, however, only have a defined contractual period of stewardship; EM has stewardship for the entire lifecycle. While a partnership must be developed for the success of the mission, the buck really stops with EM, on that business case.

Mr. Dabbar agreed and added that the goal is not to reduce EM's funding. Rather, the goal is to optimize and stretch its funding to reduce risk faster. If the money is liberated from commitments such as life-cycle costs, it can be turned around and used more efficiently in another location.

#### Technical Uncertainty and Risk Reduction

Mr. Dabbar also presented on the related topic of Technical Uncertainty and Risk Reduction.

Mr. Dabbar explained that after EM develops a baseline for a project, the next step should be to really understand what risks and variability are associated with that particular project. That is a very challenging task. In his conference call with Ms. Rheamue, she indicated that EM has a database of baseline variables and possibilities; however, that tool is project-specific and not complex-wide. It would be useful if EM had an additional data point to budget around risk scenarios and incorporate them into its baselines.

Dr. Ferrigno noted that he believes EM understands how to deal with risk and risk mitigation once those scenarios have been identified. However, there is room for improvement in the monetization of risk, or the ability to clearly identify what that monetization – costs, schedule, compliance, safety, etc. – is. Those are the issues that need to be clearly communicated throughout both the budget process and project execution. Furthermore, EM does not appear to have consistency or commonalities from site to site, contractor to contractor, or project team to project team. Given the amount of uncertainty involved in EM's mission, having this added awareness can increase the program's realm of control over variability.

Mr. Dabbar agreed and added that these issues are not exclusive to EM; they are industry-wide.

Mr. Rispoli suggested that Mr. Dabbar and the other members who focused on Discretionary Budgeting and Technical Uncertainty and Risk Reduction, set up a brainstorming session with Ms. Rheame, Mr. Surash, Mr. Mark Frei, DAS for Program Planning and Budget, and Mr. Jay Rhoderick, Director for Project Management and Oversight. EM includes risk management and risk assessments in its QPRs, but not in the same way that Mr. Dabbar had discussed. It would be helpful to open a dialogue on these topics; Mr. Rispoli asked Ms. Lamb to make the appropriate arrangements.

Mr. Dabbar agreed and stated that he would be glad to participate.

Dr. Ferrigno noted that the Board has a lot of lessons learned from its experience in commercial industry.

Mr. Dabbar agreed and added that there are many areas where EM may have more experience and information than commercial industry, but generally they encounter many similar challenges.

**Public Comment Period**

Dr. Ferrigno opened the floor for public comments, whereupon no response was had.

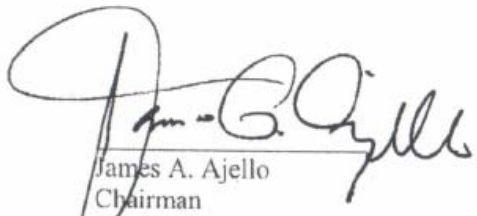
**Concluding Remarks and Adjournment**

Dr. Ferrigno reiterated that the next EMAB meeting is tentatively scheduled for April 1-2, 2008 in Washington, D.C.


Mr. Rispoli thanked Ms. Menice Santistevan, Executive Director of the NNM CAB, and her staff for their support and contributions to the organization of the EMAB meeting, in addition to Ms. Lamb and her staff from HQ. He concluded by expressing his appreciation to the EMAB members for their time and efforts.

The meeting was adjourned at 3:29 p.m. MDT.

I hereby certify that, to the best of my knowledge, the foregoing minutes are accurate and complete.



James A. Ajello  
Chairman  
Environmental Management Advisory Board



Terri Lamb  
Designated Federal Officer  
Environmental Management Advisory Board

These minutes will be formally considered by the Board at its next meeting, and any corrections or notations will be incorporated into the minutes of that meeting.

## APPENDIX A

### ENVIRONMENTAL MANAGEMENT ADVISORY BOARD

#### U.S. DEPARTMENT OF ENERGY

##### Meeting Agenda

September 13, 2007

La Fonda on the Plaza

Santa Fe, NM

- 8:00 a.m.    **Welcome and Overview**
  - James Ajello, *EMAB Chair*
- 8:15 a.m.    **Los Alamos Site Office Presentation**
  - George Rael, *Assistant Manager for Environmental Operations*
- 8:45 a.m.    **EM Program Update**
  - James A. Rispoli, *Assistant Secretary for Environmental Management*
- 9:30 a.m.    **Roundtable Discussion**
  - Discussion Leaders: James Ajello, *Chair*
- 9:45 a.m.    **Northern New Mexico Citizens' Advisory Board (NNMCAB) Presentation**
  - J.D. Campbell, *NNMCAB Chair*
- 10:00 a.m.    **Roundtable Discussion**
  - Discussion Leaders: James Ajello, *Chair*
- 10:15 a.m.    **Break**
- 10:30 a.m.    **Environmental Compliance Assessment Program Overview**
  - Frank Marcinowski, *Deputy Assistant Secretary for Regulatory Compliance*
- 11:00 a.m.    **Roundtable Discussion**
  - Discussion Leader: A. James Barnes, *Member*
- 11:15 a.m.    **Public Comment Period**
- 11:30 a.m.    **Lunch**
- 1:00 p.m.    **Board Business and Committee Reports**
  - Approval of March 6-7, 2007 Meeting Minutes
  - Organizational Efficiency Subcommittee (10-15 min)
    - James Ajello, *Chair*, and Dennis Ferrigno, *Vice Chair*

- ❑ **EMAB Communications Team (25 min)**
  - Jennifer Salisbury, Lorraine Anderson, A. James Barnes, and Tom Winston, *Members*
- ❑ **Small Business, Acquisition, and Project Management (20 min)**
  - Dennis Ferrigno, Vice Chair, and G. Brian Estes, *Members*
- ❑ **Employee Recruitment and Retention (20 min)**
  - A. James Barnes and Tom Winston, *Members*
- ❑ **Discretionary Budgeting (20 min)**
  - James Ajello, *Chair*, and Paul Dabbar, *Member*
- ❑ **Technical Uncertainty and Risk Reduction (20 min)**
  - Paul Dabbar, *Member*
- ❑ **New Business**
- ❑ **Roundtable Discussion**
- ❑ **Set Date for Next Meeting**

**3:30 p.m.      Public Comment Period**

**4:00 p.m.      Adjournment**

## APPENDIX B

### Department of Energy Charter for the Environmental Management Advisory Board

1. Committee's Official Designation:  
Environmental Management Advisory Board (Board).
  
2. Committee's Objective, Scope of Activity, and Duties:  
The Board will provide, in accordance with the Federal Advisory Committee Act, the Assistant Secretary for Environmental Management (EM) with information, advice, and recommendations concerning issues affecting the EM program. The Board will be informed of the progress on the EM program at regular intervals to be determined by the Assistant Secretary.  
  
The Board will perform the following duties:
  - a. Recommend options to resolve difficult issues faced in the EM program including, but not limited to: project management and oversight; cost/benefit analyses; program performance; contracts and acquisition strategies; human capital development; and site end-states activities; and
  - b. Issue reports and recommendations as necessary.
  
3. Time Period Necessary for the Board to Carry Out Its Purpose:  
Since the task of the Board is to advise agency officials on a series of EM strategies and strategic advice on corporate issues, the time period required to carryout its purpose is continuing in nature.
  
4. Official to Whom this Board Reports:  
This Board will report to the Assistant Secretary for EM.
  
5. Agency Responsible for Providing Necessary Support for the Board:  
United States Department of Energy (DOE). Within the Department, primary support shall be furnished by the Office of Environmental Management.
  
6. Description of Duties for Which the Board is Responsible:  
The duties of the Board are solely advisory and are stated in paragraph 2, above.
  
7. Estimated Annual Operating Costs in Dollars and Person-Years:  
The DOE will provide resources sufficient to conduct its business as well as travel and subsistence (per diem) expenses for eligible members. The estimated costs are \$300,000 and approximately two permanent staff members.

8. Estimated Number and Frequency of Board Meetings:

The Board will meet semi-annually or as deemed appropriate by the Assistant Secretary for EM. Specialized committees of the Board will meet as deemed appropriate by the Assistant Secretary for EM.

9. Termination Date (if less than 2 years from the date of establishment or renewal):

Not applicable.

10. Members:

Members of the Board shall be appointed by the Secretary of Energy for two years to achieve continuity in membership and to make use of the acquired knowledge and experience with EM projects. Members shall be experts in their respective fields or representatives of entities including, among others, research facilities and academic institutions, should the Board's tasks acquire such representation. Members may be reappointed for additional terms of one or two years.

11. Organization and Subcommittees:

The Board shall report to the Assistant Secretary for EM or other officers of the DOE designated by the Assistant Secretary.

The Board is authorized to constitute such specialized committees to carry out its responsibilities as the Assistant Secretary for EM finds necessary. Committees will report through the Board.

Individuals with specialized skills who are not members of the Board may be consulted by the Board on specialized committees, as appropriate.

12. Chairperson:

The Assistant Secretary for EM appoints the Chair of the Board from the Board membership.

Date: JAN 24, 2006

\_\_\_\_\_/s/

James N. Solit  
Advisory Committee Management Officer

Date Filed: JAN 24, 2006